



SR Systems* Builds Its Business with Intel® Architecture-based Servers

SR Systems, a national hardware distributor, recently expanded to include a server building business based around Intel technology, including servers based on Intel® Xeon™ processors. Thanks to the broad range of Intel server components available—and the ease with which they can be assembled—SR Systems has enjoyed a smooth transition into the new business. In addition, according to SR Systems, the impressive profit margins and revenue-generating opportunities associated with server sales have made the move very financially lucrative.

An Evolving Business

Located in Boise, Idaho, SR Systems is a national hardware distributor that brings to market a broad range of products ranging from sound cards to software. Selling to individuals, corporations and even other resellers, SR Systems prides itself on the ability to understand and meet its customers' unique business needs with cost-effective technology solutions. Recently, SR Systems encountered an opportunity to enter the server building business—yet another avenue for bringing value to its customer base. Working with Intel, the company was able to enter this growth marketplace and make its first server deal a success.

“One of our regular customers was considering purchasing a number of servers directly through a tier-one hardware provider. They gave us the opportunity to bid on the project and were pleased to discover that, by building servers based on Intel hardware, we could meet their performance, availability and functionality needs at a fraction of the price.”

Keith Sigler
CEO
SR Systems

Tools to Deliver Real Business Solutions

Building an Intel® architecture-based server offering has been a natural evolution in the SR Systems business model, clearly supporting the company's mission to deliver exacting solutions to meet individual customer requirements. The broad reach of the Intel server component line—ranging from server boards to server chassis—effectively equips SR Systems to build technology solutions that support virtually any business need.

“Many of our customers have precise specification requirements that simply cannot be met by a generic tier-one server. Taking advantage of the wide spectrum of Intel technologies available, we can create customized servers that precisely meet those specifications.”

Keith Sigler

Intel Makes It Easy

SR Systems was pleased to discover that, contrary to popular belief, building servers is a surprisingly simple process. Thanks to the logical, modular architecture of Intel server building blocks—including server processors, boards and chassis, and the intuitive nature of the Intel component-naming scheme—the company's first server build proceeded quickly and smoothly.

“Transitioning into the server building business was unexpectedly easy, with very little learning curve. Intel makes it easy to find the necessary parts, with clearly named part numbers. Then, the pieces simply snap together like a puzzle. It is nearly impossible to go wrong.”

Keith Sigler

Building Servers Builds Profits

By building servers—compared to selling components alone—SR Systems has realized impressive profit margins on U.S. sales. In fact, SR Systems reports that while its sales of individual computer parts traditionally bring margins of around 7 percent, the company believes that its server building deals yield margins in the 50 to 60 percent range. In addition, server building opens the door to additional revenue opportunities such as software installation, service, consulting and support. And because SR Systems is now able to deliver such a wide range of offerings, customers benefit from one-stop shopping to meet all of their technology needs—helping SR Systems never miss a business opportunity.

“The sizeable increase in our profit margins has very positively affected top-line revenue. Now that we have witnessed those changes, we would rather build servers than sell parts any day.”

Keith Sigler

Putting Knowledge to the Test

SR Systems' first server customer was the Directorate Chief of Staff for Information Management of the Idaho Army National Guard at Gowen Field. After evaluating server offerings from other vendors, the Gowen Field team chose to implement Intel architecture-based servers built by SR Systems because of the cost-effectiveness and customized nature of the solution. Gowen Field purchased nine servers, consisting of two-unit and rack-mounted dual- and single-processor servers.

“I explained to SR Systems what I needed, and they built servers that exactly matched those specifications—extremely cost-effectively. SR Systems and Intel provided the best product for the best price.”

Sergeant Spencer

Resource Manager, Directorate Chief of Staff
for Information Management
Idaho Army National Guard

Intel All the Way

Working with Intel has been a winning proposition for SR Systems in many ways. First and foremost, Intel Xeon processors provide the necessary performance to satisfy SR Systems' customers. In addition to benefiting from the strength and breadth of the Intel server product line, SR Systems has also enjoyed the vast resources available through the Intel® Product Dealer membership program. These include education and training support, Intel® Technical Solutions Training, Intel® Channel Conference, cooperative advertising through the Intel® Channel Co-op Advertising Program (CCAP) program, sales incentives, free collateral through the Intel® 800 Line and more—all backed by the power of the Intel brand.

“When a customer sees the solid lineup of Intel components in our server specs, they know that they are acquiring a brand they can trust—and buying from a technology provider that stands behind its solutions.”

Keith Sigler

The Bottom Line

According to SR Systems, the key to growing a successful server building business lies in choosing a sound technology provider such as Intel—who can help resellers seize any opportunity to enter the server marketplace and gather solid experience in customer situations.

“Before we discovered how easy and profitable server building could be, we were hesitant to enter the market. Now that we have amassed this valuable experience, we go after every bid we encounter. My advice to other resellers looking to build their server building business? Go for it.”

Keith Sigler

Intel Reseller Products Group

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